Government of Saskatchewan

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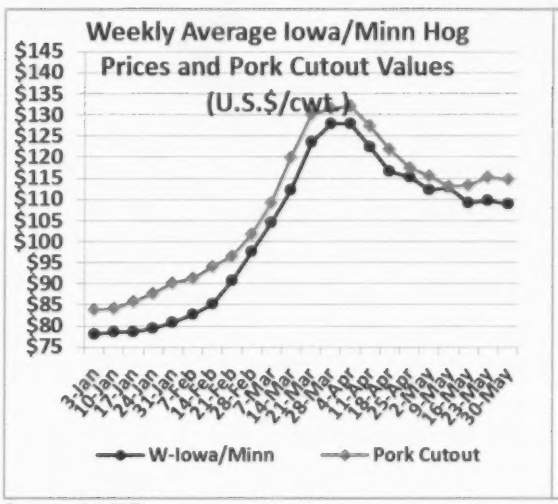
Weekly Hog Report

June 2, 2014

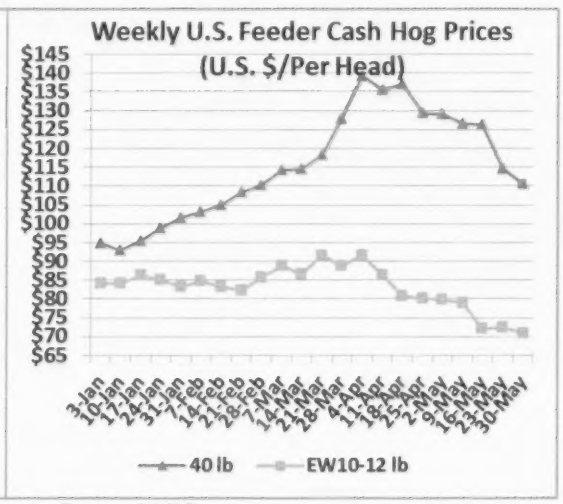
For the second consecutive week there were no new cases of **Porcine Epidemic Diarrhea (PED)** identified in hog barns in Canada. There are currently 58 cases confirmed in hog barns in Ontario, two in Manitoba, one in PEI, and also one in Quebec for a total of 62 PED cases confirmed in hog barns in Canada.

Cash Feeder Hog Prices

Last week North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were lower. Weighted average cash prices for iso-weans (12lb) were US$70.77 per head, down US$1.72 per head from US$72.49 per head the previous week. Feeders (40lb) were US$110.37 per head, down US$4.19 per head from US$114.56 per head the previous week. Feeder prices have moved lower as per normal seasonal trends.



Source: LMIC



Source: LMIC

Cash Slaughter Weight Hog Prices

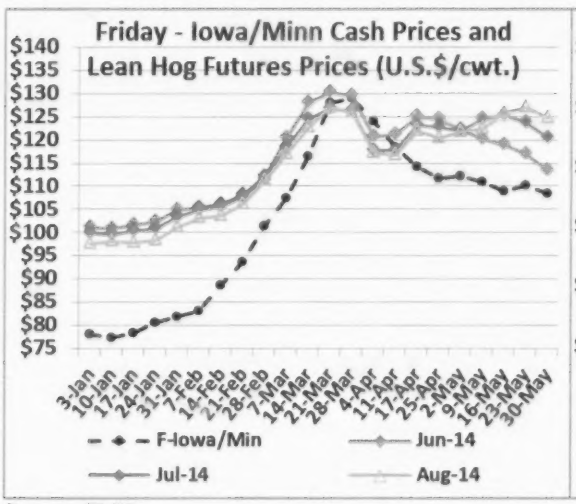
United States daily average cash hog prices were mixed over the week but ended the week lower, week-over-week. The daily average price over the week ranged from US$109.45 per cwt to US$108.11 per cwt. Hog prices (Iowa/Minn) on Friday averaged US$108.24 per cwt, down US$1.79 per cwt or 1.6 per cent from US$110.03 per cwt the previous Friday. The negotiated base price for the week averaged US$108.81 per cwt, down US$0.88 per cwt or 0.8 per cent from US$109.69 per cwt the previous week.

In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday May 30, 2014 was $216.94 per ckg, up $0.70 per ckg or 0.3 per cent from $216.24 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $215.32 per ckg, down $3.04 per ckg from the previous weeks' average price of $218.36 per ckg. The Canadian dollar moved higher last week closing the week Friday at 92.23 cents, up 0.23 cents from the previous Friday's close of 92.00 cents.

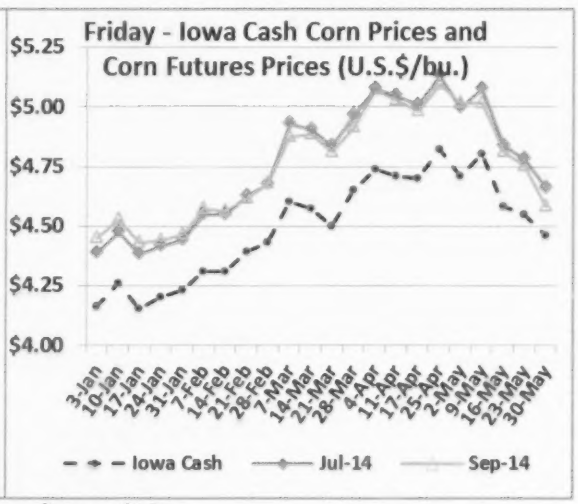
Futures Markets

Lean hog futures prices were lower last week with the nearby contracts down between US$2.15 and US$3.50 per cwt. The nearby June lean hog futures contract was US$3.50 per cwt lower to settle Friday at US$113.350 per cwt. The August contract was US$2.15 per cwt lower to settle the week at US$124.800 per cwt. U.S. pork production over the last four weeks has averaged over one per cent above year ago levels with higher hog weights, year-over-year. The Friday Iowa/Minn average daily cash price was US$108.24 per cwt, US$5.11 per cwt lower than the June's lean hog futures price.

Prices for other United States nearby commodity futures were all lower for corn, wheat, soybeans, gold and crude oil, week-over-week.



Source: CME



Source: CME

Iowa cash corn prices and the nearby corn futures were lower over the week. The Iowa cash price on Friday was US$4.46 per bushel, down 9 cents from US$4.55 per bushel the previous Friday. The July corn futures contract was down over 12 cents to settle Friday at US$4.65¾ per bushel, while the September contract was down over 17 cents to settle Friday at $4.58 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection last week for the shorter U.S. Memorial Day week ending May 31 were estimated at 1.750 million head, down 11.3 per cent from 1.973 million head a week ago, and down 6.6 per cent from 1.873 million head from the same week a year ago. U.S. hogs slaughtered over the last four weeks ending May 31 averaged 1.932 million head, down 4.2 per cent from 2.017 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the shorter Victoria holiday week ending May 24, 2014 were estimated at 338,324 head, down 13.2 per cent from 389,710 head the previous week, and down slightly from 338,682 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending May 24 were estimated to average 380,198 head, up 0.7 per cent from 377,754 head over the same period a year ago.

Meat Production

U.S. pork production for the shorter U.S. Memorial Day week ending May 31 was estimated at 378.2 million lb., down 11.4 per cent from 427.0 million lb. the previous week, and down 2.3 per cent from 387.1 million lb. the same week a year ago. Hog weights were about 9 lb. heavier last week compared to a year ago.

U.S. beef production for the shorter week ending May 31 was estimated at 422.4 million lb., down 10.5 per cent from 471.9 million lb. the previous week, and down 9.9 per cent from 468.9 million lb. over the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending May 24, 2014, was estimated at 1.935 billion lb., down 2.0 per cent from 1.974 billion lb. over the same four weeks a year ago.

United States Weekly Meat Production

(May 24) Four Week Average - Million Lb.			Percent Change	
	2013	2014	4wk. 2014	YTD 2014
Pork	427.3	432.5	1.2%	0.2%
Beef	498.4	472.2	-5.2%	-4.5%
Chicken	912.3	900.4	-1.3%	-0.6%
Turkey	135.9	130.0	-4.4%	-5.8%
Total	**1,973.9**	**1,935.0**	**-2.0%**	**-1.7%**

Source: LMIC

Cutout Values

The U.S. pork cutout values for the week ending May 31, 2014 averaged US$114.48 per cwt, down US$0.55 per cwt or 0.5 per cent from US$115.03 per cwt from the previous week, but up 21.0 per cent from US$94.57 per cwt the same week a year ago.

Average beef cutout values (Choice 600-900 lb.) for the week ending May 31 averaged US$233.43 per cwt, up US$2.95 per cwt from US$230.48 per cwt from the previous week, and up 12.1 per cent from US$208.32 per cwt the same week a year ago.

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